

ABSTRACT

Competition in complex business world, companies are required to have a competitive advantage. One way that can be taken is to maximize human resources in the company. Proper and efficient compensation could increase employee motivation in performing a task which implies improving corporate earnings. Factors used to see the company's motivation is the level of absenteeism.

This study was designed to determine the effect of compensation on work motivation of employees of the company. The method used in this research is simple regression, the survey technique of non-probability sampling, which provide opportunities or equal opportunity for each element or member of the population to be sampled by the sampling method saturated. Validity test is done to determine whether the questionnaire would be submitted to the sample is valid or not. Reliability test was conducted to determine the consistency of the instrument as a measuring tool so that the measurement results can be trusted. Research hypothesis testing is done by using the partial hypothesis test (t test). Data obtained using a questionnaire research instrument that contains a list of statements to measure the respondents to the study variables.

The results show that partial compensation positive effect on employee motivation with a value of 63,8% which other values are influenced by other variables outside of this research

Keywords: Compensation, Work Motivation